



CITY OF NEWTON

Finance Department

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December 16, 2020

Joint Legislative Committee on Local Government
Committee Chair and Committee Assistant
NC General Assembly
16 W Jones Street
Raleigh, NC 27601

AND

Fiscal Research Division
NC General Assembly
Legislative Office Building
300 N Salisbury Street, Suite 619
Raleigh, NC 27603-5925

RE: Notice to Joint Legislative Committee on Local Government on Proposed Local Government
Financing Provided Pursuant to N.C.G.S Section 120-157.2

Dear Legislative Member:

This letter is to notify you that the City of Newton (the "City") intends to request approval of installment purchase financing in an amount not to exceed \$1,780,600.

The purpose of the financing is for 1) Flygt pumps at our Westside Pump Station for \$108,870; and 2) infrastructure improvements including replacing water lines on North Shipp Avenue for \$346,100; replacing electric underground cable and reconducturing wire for \$458,000; installing reclosures and fiber to automate the electric distribution system for \$578,810; and replacing a culvert on West 24th Street for \$288,820.

The City intends to obtain installment purchase financing for the Flygt pumps over a term of 10 years and the infrastructure improvements over a term of 15 years. The financing will be secured by each respective asset.

Loan repayments will be made from operating fund revenues and reductions in debt service payments for loans expiring. The City has implemented a 7.5% Water and a 7.5% Wastewater rate increase effective July 1, 2020 for the Water/Wastewater Fund.

The City expects that the North Carolina Local Government Commission will consider the approval of the financing at its meeting scheduled for February 2, 2021.